UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS



Hauser, Inc.
Exact Name of Registrant as Specified in Charter

0000773723 Registrant CIK Number

Form 8-K Fol 9-30-04

Electronic Report, Schedule or Registration Statement of Which the Documents Are a Part (give period of report) 0-17174

SEC File Number, if available

RECD S.E.C.

UCÍ 2 9 2004

PROCESSED

OCT 2 9 2004

THOMSON
FINANCIAL

SIGNATURES

HAUSER, INC.

Name: Kenneth C. Cleveland

Title: President and Chief Executive Officer

IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS MONTHLY OPERATING REPORT FOR THE MONTH ENDED SEPTEMBER 30, 2004 IS BEING FILED IN PAPER FORMAT PURSUANT TO A CONTINUING HARDSHIP EXEMPTION

MONTHLY OPERATING REPORT

FOR THE MONTH ENDED SEPTEMBER 30, 2004

OF

HAUSER, INC. AND ITS WHOLLY OWNED SUBSIDIARIES BOTANICALS INTERNATIONAL EXTRACTS, INC., HAUSER TECHNICAL SERVICES, INC. AND ZETAPHARM, INC.



in re: Hauser Fech A Delaware Corpor	mical Services, Inc.	· .		Debtor in Statement Number	Possession Interli	*
A Delaware Corpor	auon ,					18
		Debtor		TOT THE PERIOD	ENEIVED	0
Chapter 11 Case N	lor .	LA 03-18798-BB		K	LOW I A CD	September 1, 2004
Chapiai ii case ii	0.	EV 02-101 00-00	i	<u> </u>	IV.	September 30, 2004
	NAVAVONO VOSSILIOS	41-0000	Marian American	The second control of		
CASH ACTIVITY A	NALYSIS (Cash Ba	sis Only)		General Account	Eqyrp & Account	Jax Account
A. Total Receipts	er all Prior Interim S	latements		6,647,997		
	oursements per all Pr	ior Statements		6,579,930		EEE -
C. Beginning Balai	nce (Alless B)		of the device of the second	P1483 2 0704	FEXT ELISE INC.	
 D. Receipts during 	Current Period (Des	cribe each receipt; Att	ach Separate List	ing if Necessary	C ANGELES, U	Asia.
9-01-04 - Customer Ce				280,982	3 1314 771 111 221 3	
9-09-04 - Custom	ceipts			28,734		
9-13-04 - Customer Re	ceipts			20,948		
9-16-04 - Transfer from	n Hauser			70,000		
9-17-04 - Transfer from	n Hauser			70,000		
9-30-04 - Deposit to ch	ose Petty Cash			162		
9.30-04 - Payroll Adjus	tment Checks			569		
From Detail Sheet	D°				Burgagor at	
	THIS PERIOD (D):			60 FEET 747 (2376)		
E. Balance Available	le (Ĉ plus D)			######################################		
		Period (Describe "date	", "Check#", "Pa	/ee/Purpose": Attác		
		· · · · · · · · · · · · · · · · · · ·		·	i	
					†	
				The state of the s		
					 	
		· · · · · · · · · · · · · · · · · · ·				
		<u> </u>	·····	The second secon		
				·	1	·
From Detail Sheet	!					ALCOHOLD BY THE RESIDENCE OF THE PARTY OF TH
	MENTS THIS PERI	SD (E)		3 3 3 16283 3		
G. Ending Balance		JO (1.).		7 (FULL 58)		
O. Litting Dalance	(# 1699.1)		The same of the sa	SHEET SEED IN COLUMN TO SHEET	THE COLUMN THE PROPERTY OF THE PARTY OF THE	
			(1000000)			
H. Depositories		Depository			ry Location	Account Number
(1) General Accour				- Los Angeles, CA		4945 063840
(2) Payroll Account		<u> </u>	The second of th	 Los Angeles, CA 		4945 086361
(3) Tax Account	L		no	ne		
Other monies or Type Petty Cash	n hand (Specify type Location Denver, CO	and location) (i.e. Cert	ificates of Deposi	t, Petty Cash):		•
			•		•	•
					•	
				*		
			* *			
						•
I, (Print Name:)	Thomas W. Hanion,	Secretary / Treasurer		,declare under per	ally of penjury that th	e information
		ssion Interim Statemer	nt is true and com			
					•	
Dated:	October 6, 2004		•		,	
		•		الماند. الماند		
				1	Lun With	n
				Debtor In	Possession or Trus	lee Signature
					Secretary / Treasur	

Office of the United States Trustee

Debtor

... Hauser Technical Services, Inc.

A Delaware Corporation

Debtor In Possession Interim Statement

Statement Number:

For the period:

9/1/2004

18

Chapter 11 Case No: LA 03-18798-BB

FROM:

TO: 9/30/2004

Date of Disbursement	Check Number	Payee		Purpose	General Account	Payroll Account	Tax Account
9/3/2004	12862	Todd Klimkowsky		Final Payroll Check	1,524		
9/3/2004	12863	Todd Klimkowsky		Mileage	64		
9/3/2004	12864	Jennifer Hobson		Final Payroll Check	1,264		
9/3/2004	12865	Julie Shott	7	Final Payroll Check	.630		
9/3/2004	12866	Margaret Thompson	1	Final Payroll Check	5,129		
9/3/2004	12867	Qwest 230M	1	Telephone	281		
9/8/2004	12868	Advanced Trailer Leasing 004	1	Trailer Rental	134		
9/8/2004	12869	Ben Hughes	7	Mileage	: 47		
9/8/2004	12870	Clean Harbors Env. Services	7	Hazard Waste Disposal	2,635		
9/8/2004	12871	David Clark	7	Small tools & Mileage	92		
9/8/2004	12872	David Dunn	7	Mileage	28		
9/8/2004		GE Capital	-+	Copier Leases	737		
9/8/2004		Pure Water Solutions, Inc.	7	Tank Rental and service/2 months	943	 	
9/8/2004		Quantum Analytics	1	Equipment lease	709	· ·	
9/8/2004		QWEST - 469B	-	Telephone	383		
9/8/2004		QWEST - 564B (was 701B)	1	Telephone	50		
9/8/2004		Qwest - 922B (was 612B)	7	Telephone	47		
9/8/2004		Qwest 231B	+	Telephone	905		
9/8/2004		USFilter	+	Set up new system and tank rental	2,371		
9/9/2004		Xcel Energy (CC)	1	Clear Creek Utilities	8,813		
			-	Gunbarrel Utilities			
9/9/2004		Xcel Energy (GB)	4		4,066		
9/13/2004		Woodspear Properties		Gunbarrel Rent	18,990		ļ
9/14/2004		Kathy Granillo	-	Final Payroll Check & Vacation Pay-out	57		
9/17/2004		Adam Flick	-	Final Payroll Check & Vacation Pay-out	1,341		·
9/17/2004	 	Barry H. Wolfe	_	Final Payroll Check	212	<u> </u>	
9/17/2004		Ben Hughes	_	Final Payroll Check & Vacation Pay-out	1,446	<u> </u>	ļ
9/17/2004		Cynthia S. Thompson	-	Final Payroll Check & Vacation Pay-out	1,189		
9/17/2004		Dan W. Childers	_	Final Payroll Check & Vacation Pay-out	5,290	<u> </u>	ļ
9/17/2004	 	Dave Renner		Final Payroll Check & Vacation Pay-out	3,062		·
9/17/2004	 	David Clark		Final Payroll Check	374		
9/17/2004		David Dunn	Ц	Final Payroll Check	323	<u> </u>	
9/17/2004		Edward Babaian		Final Payroll Check	381		
9/17/2004		Elliott Mead	-	Final Payroll Check	663		ļ
9/17/2004	12895	Fred Pfeiffer		Final Payroll Check & Vacation Pay-out	1,387		
9/17/2004		Gamini J. Jayatilake	Ц	Final Payroll Check & Vacation Pay-out	2,266		ļ
9/17/2004		Jackie L. Nelson		Final Payroll Check & Vacation Pay-out	1,363		
9/17/2004	 	Jeff Beckvermit	_	Final Payroll Check	685		ļ
9/17/2004		Jeff Riegel	-	Final Payroll Check & Vacation Pay-out	1,725		
9/17/2004		Jeff Zadrozny		Final Payroll Check	714		<u> </u>
9/17/2004		Kathleen A. Duke	L	Final Payroll Check	308		<u> </u>
9/17/2004	12902	Kathy Granillo	L	Final Payroll Check	430		<u> </u>
9/17/2004	12903	Kenneth Dennis	L	Final Payroll Check & Vacation Pay-out	3,750		
9/17/2004	12904	Matthew J. Duggan	L	Final Payroll Check & Vacation Pay-out	5,871		
9/17/2004	12905	Melissa Varner		Final Payroll Check & Vacation Pay-out	2,388		1
9/17/2004	12906	Paul Reinhart	L	Final Payroll Check	681		go per et
9/17/2004	12907	Randy McEvoy	Ĺ	Final Payroll Check & Vacation Pay-out	4,874		
9/17/2004	12908	Void	Ĺ	Void	C		
9/17/2004	12909	Sean Garrett	Γ	Final Payroll Check & Vacation Pay-out	2,661		
9/17/2004	12910	Sherman Ross	Γ	Final Payroll Check	2,642		
9/17/2004		Steve W. Rank	Γ	Final Payroll Check & Vacation Pay-out	455		
9/17/2004	12912	Xiong Fu	Γ	Final Payroll Check & Vacation Pay-out	3,315		
9/16/2004	12913	Rodney B. McKeever		Final Payroll Check & Vacation Pay-out	6,858		

) Office of the United States Trustee

...e: Hauser Technical Services, Inc.

A Delaware Corporation

Debtor

Debtor

Debtor In Possession Interim Statement

Statement Number: 18

For the period:

FROM: 9/1/2004

Chapter 11 Case No: LA 03-18798-BB

TO: 9/30/2004

Date of Disbursement	Check Number	Payee		Purpose	General Account	Payroll Account	Tax Account
9/16/2004	12914	Rodney B. McKeever		Remainder of Vacation Pay-out	5,874		
9/16/2004	12915	Sherman Ross		Final Payroll Check	182		
9/29/2004	12916	St. Paul Travelers	٦	Portion of Virtis claim paid by FedEx	14,065		
9/29/2004	12917	Virtis Company		Insurance settlement for damaged eqmt.	28,130		
9/30/2004	12918	ADP		Payroll & W2 Processing Fee	711		
9/1/2004	Wire Trnsf	Wire transfer to Hauser	٦	Repayment of Advances	240,000		
9/1/2004	Wire Trnsf	Wire transfer to Acordia		General Insurance	5,908		
9/3/2004	Wire Trnsf	Putnam Transfer (401k)		401 K Deposit	5,672		
9/2/2004	Pyrl Cks	Payroll 9-2 - Taxes		Payroll & Payroll Taxes	19,848		
9/2/2004	Wire Trnsf	Payroll 9-2 - Checks		Payroll & Payroll Taxes	8,388		
9/14/2004	Wire Trnsf	Payroll 9-16 - Direct Deposit	_	Payroll & Payroll Taxes	32,763		
9/15/2004	Wire Trnsf	Payroll 9-16 - Direct Deposit		Payroll & Payroll Taxes	20,809		
9/16/2004	Wire Trnsf	Payroll 9-16 - Checks		Payroll & Payroll Taxes	7,930		
9/16/2004	Wire Tmsf	Putnam Transfer (401k)		401 K Deposit	4,297		
		Manual Payroll 9-19 - Taxes	_	Payroll & Payroll Taxes	24,041		
9/23/2004	Wire Trnsf	Putnam Transfer (401k)		401 K Deposit	2,660		
9/3/2004	Wire Trnsf	ADP Processing Fee		Payroll Processing Fee	315		
9/17/2004	Wire Trnsf	ADP Processing Fee		Payroll Processing Fee	216		
	Wire Trnsf	ADP Processing Fee		Payroll Processing Fee	443		
9/23/2004	Acnt Trnsf	Wells Fargo	#	Bank Fee Adjustment	-475		
TOTAL DISBU	RSMENTS of	ribis pages (Total will automatically carry to p i),		528,333	24.7 22 14.5 10	157.2 C 127.0



Office of the United States Trustee

RECEIVED

Debtor in Possessian Organia In re: Hauser, Inc. A Delaware Corporation Statement Number. For the period-FROMFICE OF US TRUSTOPPON Debtor Chapter 11 Case No: LA 03-18795-BB CASH ACTIVITY ANALYSIS (Cash Basis Only) General Account Payroll Account Tax Account 33,380,587 A. Total Receipts per all Prior Interim Statements 33,265,473 B. Less: Total Disbursements per all Prior Statements C. Beginning Balance (A less B) 7 3 3 4 5 7 1 D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary). 240,000 9/1: Payback of loans by HTS 220 9/7: Refund from SBC 9/15: Settlement of claim from Metro Wastewater Reclamation 3,898 9/16; Proceeds from sale of HTS 1,545,480 15,140 9/23: Pmt from BI for return of merchandise; Sale of phone system 2,628 128: Wall revenue from Kerr-McGee; UPS deposit return; equipment sale 731,504,3678 27.76 57.7 1 From Detail Sheet "D' TOTAL RECEIPTS THIS PERIOD (D): E. Balance Available (C plus D) F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose"; Attach separate listing If needed) 9/18: Advance to HTS 70,000 70,000 9/17: Advance to HTS From Detail Sheet "F" TOTAL DISBURSEMENTS HIS PERIOD (F): G. Ending Balance (E less F) Depository Name Depository Location Account Number H. Depositories 4945 083790 Wells Fargo Bank - Los Angeles, CA (1) General Account none (4) Tax Account 1. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash): Location Type not to exceed \$100 San Marino, CA Petty Cash Denver, CO Petty Cash not to exceed \$100 I. (Print Name:) Thomas W. Hanlon, Chief Financial Officer ,declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge. Dated: October 7, 2004 Debtor in Possession or Trustee Signature Chief Financial Officer

Hauser, Inc Debtor in Possession Statement #18 September 1 to 30, 2004 Detail Sheet F; Cash Disbursements

	Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description
1	6208		VOID			_	Void
2	6209		VOID	-	····	-	Void
3	6210	9/7/2004	VOID	-		-	Void
4	6211	9/7/2004	VOID	-		-	Void
5	6212	9/7/2004	VOID	-		-	Void
6	6213	9/7/2004	VOID	-	· · · · · · · · · · · · · · · · · · ·	-	Void
7	6214	9/7/2004	VOID	-		-	Void
8	6215	9/7/2004	AT&T WIRELESS	46		46	Cell Phone
9	6216	9/7/2004	BAY 4 CAPITAL	1,000		1,000	HTS Phone Equip Lease
10	6217	9/7/2004	CT CORP	219			Zetapharm-Foreign Representation
11	6218	9/7/2004	VOID	-			Void
12	6219	9/7/2004	FEDEX	109		109	Shipping Costs
13	6220	9/7/2004	JEFF FADLEY	2,930			Management Consulting Services
14	6221	9/7/2004	JEAN PAULSON	975	···-		HR Consulting
15	6222	9/7/2004	KATHLEEN ATKINSON	726			Accounting Consulting
16	6223		POSTAL PRIVILEGE	30			Postage
17	6224	9/7/2004	ROBERT BUCK	131			Accounting Consulting
18	6225	9/7/2004	THOMAS HANLON ASSOCIATES	1,350	,		Executive Management Services
19	6226	9/7/2004	VOID	-		-	Void
20	6227	9/7/2004	DUANE COWGER	500		500	IT Consulting
21	6228		FEDEX	52			Shipping Costs
22	6229	9/14/2004	JEFF FADLEY	1,465			Management Consulting Services
23	6230	9/14/2004	KATHLEEN ATKINSON	1,225			Accounting Consulting
24	6231	9/14/2004	KATHLEEN ATKINSON	46			Expense Reimbursement
25	6232	9/14/2004	KENNETH CLEVELAND ASSOCIATES	2,000			Executive Management Services
26	6233	9/14/2004	ROBERT BUCK	619			Accounting Consulting
27	6234	9/14/2004	THOMAS HANLON ASSOCIATES	1,350			Executive Management Services
28	6235	9/21/2004	VOID	1,000		1,000	Void
29	6236	9/21/2004	GA SECRETARY OF STATE	20		L	GA Withdrawal Fee
30	6237	9/21/2004	GA SECRETARY OF STATE	20			GA Withdrawal Fee
31	6238	9/21/2004	CO DEPT OF REVENUE	360			CO use tax for 2003
32	6239	9/21/2004	CO DEPT OF REVENUE	16			CO renewal for Sales Tax License
33	6240	9/21/2004	FEDEX	51			Shipping Costs
34	6241	9/21/2004	FL DEPT OF STATE	35			FL Withdrawal Fee
35	6242	9/21/2004	JEFF FADLEY	1,465			Management Consulting Services
36	6243	9/21/2004	JEAN PAULSON-KISLESKY	750			HR Consulting
37	6244	9/21/2004	JEFF FADLEY EXPENSES	172			Expense Reimbursement (Trip)
38	6245	9/21/2004	KATHLEEN ATKINSON	639			Accounting Consulting
39	6246	9/21/2004	KENNETH CLEVELAND ASSOCIATES	2,000			Executive Management Services
40	6247	9/21/2004	ROBERT BUCK	188			Accounting Consulting
41	6248	9/21/2004	THOMAS HANLON	120			Expense Reimbursement
42	6249	9/21/2004	THOMAS HANLON ASSOCIATES	1,350			Executive Management Services
43	6250	9/28/2004	BAY 4 CAPITAL	1,000			HTS Phone Equip Lease
44	6251	9/28/2004	DUANE COWGER	250			IT Consulting
45	6252	9/28/2004	FEDEX	77			Shipping Costs
46	6253	9/28/2004	JEFF FADLEY	1,465			Management Consulting Services
47	6254	9/28/2004		324			Accounting Consulting
48	6255	9/28/2004	KATHLEEN ATKINSON	79			Expense Reimbursement
49	6256	9/28/2004		140	 		E-Mail Set Up
50	6257	9/28/2004		108			Zetapharm 2004 Tax Interest
51	6258	9/28/2004	· · · · · · · · · · · · · · · · · · ·	94			Accounting Consulting
52	6259	9/28/2004		189			Expense Reimb, Court Ordered
53	6260	9/30/2004		139			2004 W-2 Processing
54	ED0920	9/20/2004	WELLS FARGO	205	-	205	Client Analysis Service Charge
	100920	312012004	WELLO I ANGO	205		203	Onone relayers betwee Charge
			Monthly Total	al 26,027	-	26,027	



Office of the United States Trustee

In re: Botanicals International Extracts Inc.

A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18788-BB

Debtor In Possession Operating Report
Report Number C E I V E D
For the serioo FROM: September 1, 2004
TO: September 30, 2004

1. Profit and Loss Statement (Accrual Basis Only) A. Related in Business Operations: INCOME Gross Sales (Sales Returns and Discounts) **Net Sales** Beginning Inventory at Cost Add: Purchases Less: Ending Inventory at Cost Cost of Goods Sold **Gross Profit** Other Operating Revenues - Rentals **Total Income EXPENSES** Officer Compensation Salaries and Wages - Other Employees Employee Benefits and Pensions Total Employee wages, benefits, and pensions Payroll Taxes Real Estate Taxes Federal and State Income Taxes **Total Taxes** Rent and Lease Exp. (Real and Personal Property) Interest Expense (Mortgage, Loan, etc.) Insurance Automobile Expense Utilities (Gas. Electricity, Water, Telephone, etc.) Depreciation and Amortization Repairs and Maintenance Advertising Supplies, Office Expenses, Photocopies, etc. Bad Debts Miscellaneous Operating Expenses (See Attached) Total other operating costs & Expenses Total Operating Expenses Net Gain/Loss from Business Operations B. Not Related to Business Operations: INCOME Interest Income Other Non-Operating Revenues (Specify) Gross Proceeds on Sale of Assets Less: Original Cost of Assets plus Expenses of Sale Net Gain/Loss on Sale of Assets Total Non-Operating Income **EXPENSES** Legal and Professional Fees (Specify) Other Non-Operating Expenses (Specify) Total Non-Operating Expenses Net Gain/Loss Not from Business Operations **NET INCOME / LOSS FOR PERIOD**

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

		Accounts
	Accounts Payable	Receivable
Current - Under 30 Days	-	-
Overdue - 31 - 60 Days		-
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	-	
Overdue - Over 121 Days	•	390,622
TOTAL	-	390,622

3. Statement of Status of Payments to Secured Creditors and Lessors:

				Post-Petition Pay	ments Not Mad
Creditor/Lessor	Frequency of Payments per Contract/Lease (I.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Number	Amount
		<u> </u>			
				·	

* Explanation for Non-Payment:	

	_			
4.	Tax	10	hil	1111
→.	Iax	∟ıa	ИI	HLV.

Gross Payroll Expense for Period:

N/A
 AL/A

Gross Sales Subject to Sales Tax for Period:	N/A

			Post-Petition
Type of Tax	Date Paid	Amount Paid*	Taxes Still Owing
Federal Payroll and Withholding Taxes			N/A
State Payroll and Withholding Taxes			N/A
State Sales and Use Taxes			-
Real Property Taxes			-

^{*} Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5.Insurance Coverage:

O.IIISUIUIICC COVCIU	90.			
	Carrier/Agent	Amount Of	Policy Expiration	Premium Paid
Type of Insurance	Name	Coverage	Date	Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage	9			
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

Question:	S:								
A Line the Debte	r in Possession provid	ad come	anestion to any offi	lance effracture é	horobole	ions or other eview	nnlaGlhal		
	re Office of the United			icers, unecipis, s	snarenok	iers, or owner princi	pais vaindut		
	ES (Explain:)	018163 11	031861						
	Ю								
· · · · · · · · · · · · · · · · · · ·	-								
	Possession, subsequ		filing of the petitio	n, made any pays	ments or	its pre-petition un	secured debt		
except as have be	een authorized by the	Court?				* *			
Y	'ES (Explain:)		•						
X N	10								
			_ ==						
7. Statemen	nt of Unpaid Pro	ession	ial Fees (Pos	t-Petition An	nount	s only).			
	,			and the second s				uina.	
			7,777,7			of Professional		7	
					(Atto	mey, accountant,	Total Post-Petition		
			Name of Profes			etc.)	Amount Unpaid	_	
			rofessional Fees a						
		Hauser,	nc.'s Operating Re	eport				_	
					-			4	
					+		manufacture	4	
					-			-	
		سيسما			حسنت			≟	
9. Quarterly	Fees*								
	e paid to the United St	etes Trus	tee every calendar	r quarter					
Quarterly	Total Disbursements				T				
Period Ending	for Quarter	Qu	arterly Fee	Date Paid		Amount Paid	Check Number	Quarterly Fee Sti	a Owani
6/30/2003	None	\$	250	8/1/2003	\$	250	3902	S	
9/30/2003	5,332,810	\$	250	11/20/2003	\$	250	4690	\$	-
9/30/2003	5,332,810	\$	7,750	12/29/2003	\$	7,750	4888	\$	-
12/31/2003	9,681,934	\$	12,000	2/26/2004	\$	12,000	5165	3	-
3/31/2004	202,506	\$	1,250	5/5/2004	\$	1,250	5322	\$	
6/30/2004	3,433	\$	9,000	7/28/2004	3	9,000	6135	\$	
							·		
								.l.	
(Name/Tille)	Thomas W. Hanton, Se	cretery /	Treasurer.			•	,declare under penal	ty of periury	
that the information	on contained in the ab	rve Debte	y in Possession O	perating Report	is true at	od complete to the	sest of my knowledge	iy or poijory	
STATE CITY BITTERS		,,	er in a management and	Ermann S. Lakers					
Dated: October	14, 2004						,		
	• ***						r w Am		
	•		4					•	
						in Possession or	Trustee		
					Secre	ary/Treasurer			

In re: Botanicals International Extracts Inc. A Delaware Corporation

Debtor In Possession Operating Report Report Number: 18

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl	Ψ 1.0Ψ 1.0Ψ 1.0Ψ		47 172000
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cano	elled
Hauser El Segundo	Essex Insurance	\$1MM	cano	elled
Property	Winchester Surplus Lines/Acordia	See Below	6/1/2005	11/1/2004
Real Property	Winchester Surplus Lines/Acordia			
Personal Property	Winchester Surplus Lines/Acordia	1,871,000	7	"
Machinery	Winchester Surplus Lines/Acordia	2,273,000	"	,
Business Income	Winchester Surplus Lines/Acordia	500,000	"	H
Property of Others	Winchester Surplus Lines/Acordia	1,135,000		*
Theft-Money	Winchester Surplus Lines/Acordia		cano	elled
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cano	elled
California	No Autos			
Other	1 vehicle in CO - to be sold			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cano	elled
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cano	elled
Employment Practices Liabili	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cano	celled
Foreign Liability	St. Paul/Acordia	2,000,000	cano	celled
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	cano	celled

Botanicals International Extracts, Inc. September 30, 2004 (dollars in thousands)

	Current Month Actual	Six Months Ended Year-to-date Actual
Sales	-	593
Cost of Sales	-	3
Gross margin	-	590
Sales and marketing G & A expenses Total Contribution		- - - - 590
Corporate Services Operating income (loss)	-	590
Interest expense Profit (Loss) before Other Income (Expense) & Discontinued Operation	-	590
Gain/(Loss) on Disposal of Assets Chapter 11 Reorganization Costs Profit (loss) before tax	15	142 - 732
Income taxes	-	-
Net income (loss)	15	732

In re: Botanicals International Extracts Inc. A Delaware Corporation

Debtor In Possession Operating Report Report Number: 18

Miscellaneous Operating Expenses	
	-
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Total Miscellaneous Operating/Expenses	
in transportation of the state	
Legal and Professional Fees	
Ĭ	
ि स्परिताची Legalrand Professional Fees के 🕮 🕒 🖫	
•	
Other Nen Operating Expenses	
Other Non-Operating Expenses	
	<u> </u>
1	
Strate Other Non-Operating Expenses	



Office of the United States Trustee
In re: Hauser Inc.

A Delaware Corporation

Office of the United States Trustee

Report Number:

Chapter 11 Case No: LA 03-18795-BB

Debtor

Debtor in Possession Operating Report VED

Report Number: 18

For the periodFROM: 2004 September 1, 2004
TO: September 3, 2006 5, 200

OFFICE OF US TRUSTEE LOS ANGELES, CA Profit and Loss Statement (Accrual Basis Only) A. Related in Business Operations: INCOME Gross Sales (Sales Returns and Discounts) **Net Sales** Beginning Inventory at Cost Add: Purchases Less: Ending Inventory at Cost Cost of Goods Sold Gross Profit Other Operating Revenues - Rentals **Total Income EXPENSES** Officer Compensation Salaries and Wages - Other Employees Employee Benefits and Pensions Total Employee wages, benefits, and pensions Payroll Taxes Real Estate Taxes Federal and State Income Taxes Total Taxes Rent and Lease Exp. (Real and Personal Property) Interest Expense (Mortgage, Loan, etc.) Insurance Automobile Expense Utilities (Gas. Electricity, Water, Telephone, etc.) Depreciation and Amortization Repairs and Maintenance Advertisina Supplies, Office Expenses, Photocopies, etc. Bad Debts Miscellaneous Operating Expenses (See Attached) Total other operating costs & Expenses **Total Operating Expenses** Net Gain/Loss from Business Operations B. Not Related to Business Operations: INCOME Interest Income Other Non-Operating Revenues (Specify) Gross Proceeds on Sale of Assets Less: Original Cost of Assets plus Expenses of Sale Net Gain/Loss on Sale of Assets Total Non-Operating Income **EXPENSES** Legal and Professional Fees (Specify) Other Non-Operating Expenses (Specify) Total Non-Operating Expenses Net Gain/Loss Not from Business Operations

See Attached Sheet

NET INCOME / LOSS FOR PERIOD

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

		Accounts
	Accounts Payable	Receivable
Current - Under 30 Days	2,018	-
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	-	-
Overdue - Over 121 Days	(39)	369,169
TOTAL	1,979	369,169

3. Statement of Status of Payments to Secured Creditors and Lessors:

				Post-Petition Pay	ments Not Made*
	Frequency of				
	Payments per				
	Contract/Lease	Amount of Each			
Creditor/Lessor	(I.e. mo/gtr)	Payment	Next Payment Due	Number	Amount
GE Capital	Monthly	198	2/12/2004	1	198
_					

* Explanation for Non-Payment:	
The Hauser equipment under the GE Capital lease has been returned and we are awaiting a final reconcilliation of amounts due.	
	_
	Ī

4. Tax Liability:

Gross Payroll Expense for Period:

Gross Sales Subject to Sales Tax for Period:

N/A	

			Post-Petition
Type of Tax	Date Paid	Amount Paid*	Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		-
Real Property Taxes			

^{*} Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5.Insurance Coverage:

	Carrier/Agent	Amount Of	Policy Expiration	Premium Paid
Type of Insurance	Name	Coverage	Date	Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

o. Questions.	
A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee? YES (Explain:) NO	
Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt	
except as have been authorized by the Court?	
YES (Explain:)	
NO.	

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)		Total Post-Petition Amount Unpaid	
Stulman, Treister & Glatt	Attomey	s	1,337,000	
Kaye Scholer LLP	Attorney	\$	541,000	
Perizman, Glassman, Weg & Kempinsky LLF	Attomey	S	47,000	
Hogan & Hartson, LLP	Attorney	S	125,000	
BDO Seldman	Accountant	S	10,000	
Deloitte & Touche LLP	Accountant	3	65,000	
Wilkie Fen & Gallagher	Attorney	\$	108,000	
Mack Bardley	Accountant	\$	11,000	
FTI	Accountant	\$	50,000	

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business* *(Attach separate sheet If necessary) Please use this area for comments regarding the operation of the chapter 11 debtor								

Quarterly Fees*
 This Fee must be paid to the United States Trustee every calendar quarter.

Quarterly	Total Disbursements								
Period Ending	for Quarter		Quarterly Fee	Date Paid		Amount Paid	Check Number	Quarterly Fe	Still Owing
6/30/2004	6,997,191	\$	10,000	8/7/2003	\$	10,000	3946	\$	-
9/30/2004	3,108,371	.\$	10,000	11/6/2003	\$	10,000	4630	.\$	-
12/31/2004	3,447,790	\$	6,000	2/28/2004	3	6,000	5161	\$	-
3/31/2004	1,185,120	\$	5,000	5/5/2004	3	5,000	5321	\$	-
6/30/2004	698,706	3	5,000	7/28/2004	3	5,000	6136	\$, ,
		<u> </u>			-		·	ļ	
					 		Anna Caracana Caracana Caracana		
		f						.1	

I, (Name/Tritle:) Thomas W. Hankon, Chief Financial Officer , decistre under penalty that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge declare under penalty of penury

Dated: October 14, 2004

Chief Financial Officer

In re: Hauser Inc. A Delaware Corporation Debtor In Possession Operating Report Report Number: 18

		T	T T	T =
1			Policy	Premium Paid
Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Expiration Date	Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	* \$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cano	elled
Hauser El Segundo	Essex Insurance	\$1MM	cano	elled
Property	Winchester Surplus Lines/Acordia	See Below	6/1/2005	11/1/2004
Real Property	Winchester Surplus Lines/Acordia			
Personal Property	Winchester Surplus Lines/Acordia	1,871,000	н	,
Machinery	Winchester Surplus Lines/Acordia	2,273,000	•	*
Business Income	Winchester Surplus Lines/Acordia	500,000	*	*
Property of Others	Winchester Surplus Lines/Acordia	1,135,000	"	•
Theft-Money	Winchester Surplus Lines/Acordia		cano	elled
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cano	elled
California	No Autos			
Other	1 vehicle in CO - to be sold			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cand	celled
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000		celled
Employment Practices Liabili	Hudson Insurance/Acordia	1,000,000 11/1/2004		11/1/2004
Cargo	St. Paul/Acordia		cano	celled
Foreign Liability	St. Paul/Acordia	2,000,000	cano	celled
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	can	celled
			<u> </u>	

In re: Hauser Inc. A Delaware Corporation Debtor In Possession Operating Report Report Number: 18

Hauser, Inc. September 30, 2004

(dollars in thousands)

	Current Month Actual	Five Months Ended Year-to-date Actual
Sales	\$0	\$30-
Cost of Sales	(\$4)	\$23
Gross margin	. 4	7
Sales and marketing	0	0
G & A expenses	80	587
Total Operating Cost	80	587
Contribution	(76)	(580)
Corporate Services	(10)	(110)
Operating income (loss)	(66)	(470)
New products expense	0	0
Interest expense	1	2
Profit (Loss) before Other Income	(65)	(468)
Gain/Loss on Sale of Equipment	1	20
Income from Discontinued Operations	0	150
Chapter 11 Reorganization Costs	(163)	(871)
Profit (loss) before tax	(227)	(1,169)
Income taxes	-	-
Net income (loss)	(\$227)	(\$1,169)

In re: Hauser Inc.
A Delaware Corporation

Debtor In Possession Operating Report Report Number: 18

Miscellaneous Operating Expenses	
·	
Fotal Miscellaneous Operating Expenses * 2.3	

Legal and Professional Fees	
Legal and Frotessional Fees	
Liolal Legal and Professional Lees	
Other Non-Operating Expenses	
Total Other Non-Operating Expenses	



Office of the United States Trustee

011	ce of the office offices trustee
lin re: Zetapharm Inc. A New York Corporation	Debtor In Posses di Derating Report Report Number 18
Debtor Chapter 11 Case No: LA 03-18802-BB	For the period- FROM: FROM: 5 September 1, 2004 TOI 5 P 3: 5 September 30, 2004

1. Profit and Loss Statement (Accrual Basis Only) A. Related in Business Operations: INCOME Gross Sales (Sales Returns and Discounts) Net Sales Beginning Inventory at Cost Add: Purchases Less: Ending Inventory at Cost Gost of Goods Sold **Gross Profit** Other Operating Revenues - Rentals **Total Income EXPENSES** Officer Compensation Salaries and Wages - Other Employees Employee Benefits and Pensions Total Employee wages, benefits, and pensions Payroll Taxes Real Estate Taxes Federal and State Income Taxes Total Taxes Rent and Lease Exp. (Real and Personal Property) Interest Expense (Mortgage, Loan, etc.) Insurance Automobile Expense Utilities (Gas. Electricity, Water, Telephone, etc.) Depreciation and Amortization Repairs and Maintenance Advertising Supplies, Office Expenses, Photocopies, etc. Bad Debts Miscellaneous Operating Expenses (See Attached) Total other operating costs & Expenses Total Operating Expenses Net Gain/Loss from Business Operations **B. Not Related to Business Operations:** INCOME Interest Income Other Non-Operating Revenues (Specify) Gross Proceeds on Sale of Assets Less: Original Cost of Assets plus Expenses of Sale Net Gain/Loss on Sale of Assets Total Non-Operating Income **EXPENSES** Legal and Professional Fees (Specify) Other Non-Operating Expenses (Specify) **Total Non-Operating Expenses** Net Gain/Loss Not from Business Operations **NET INCOME / LOSS FOR PERIOD**

No activity for this period

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	None	-
Overdue - 31 - 60 Days		
Overdue - 61 - 90 Days		•
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		-
TOTAL	-	<u> </u>

3. Statement of Status of Payments to Secured Creditors and Lessors:

				Post-Petition Payr	ments Not Mad
Creditor/Lessor	Frequency of Payments per Contract/Lease (I.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Number	Amount
None			1		1
 					
					1
			 		1

Explanation for Honer aymont.		
4. Tax Liability:		
Gross Payroll Expense for Period:	None	
Gross Sales Subject to Sales Tay for Period:	None	

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		
Real Property Taxes	None		

^{*} Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5.Insurance Coverage:

	Carrier/Agent	Amount Of	Policy Expiration	Premium Paid
Type of Insurance	Name	Coverage	Date	Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

6. Questions	S :							
the approval of the	r in Possession provide office of the United ES (Explain:)		any off	icers, directors, s	shareholders, or other p	rincipals without		·
except as have be	Possession, subsequen authorized by the ES (Explain:)	ent to the filing of th Court?	e patitio	on, made any pay	ments on its pre-petition	unsecured debt		
7. Statemen	t of Unpaid Pro	fessional Fees	(Pos	t-Petition Ar	nounts only).			
		Name o Unpaid Professions			Type of Professional (Altomay, accountant, etc.)	Total Post-Petition Amount Unpaid		
		Hauser, Inc.'s Oper					1	
							1	
	•		.,				1	
	lone							
Quarterly	e paid to the United St Total Disbursements			and the second state of the second second second second	Amount Point	Charles		200
Period Ending 6/30/2003	for Quarter None	Quarterly Fee	250	Date Paid 8/1/2003	Amount Paid \$ 250	Check Number 3903	\$	ee Still Owing
9/30/2003	None None	\$	250 250	11/6/2003 2/26/2004	\$ 250 \$ 250	4630 5166	\$ \$	-
3/31/2004	None	\$	250	5/4/2004	\$ 250	5323	\$	-
6/30/2004	None	\$	250	7/28/2004	\$ 250	6147	\$	
							1	
I, (Name/Title:) I that the Information Dated: September		ecretary / Treasurer ove Debtor in Posse	ssion C	perating Report	is true and complete to	dectare under penal he best of my knowle	ly ôf perjury đợc	
	,				-Dan	- w Hm		
					Debtor in Possession Secretary/Treasurer	or Trustee		· · · · · · · · · · · · · · · · · · ·

In re: Zetapharm Inc. A New York Corporation Debtor In Possession Operating Report Report Number: 18

			Policy	Premium Paid
Type of insurance	Carrier/Agent Name	Amount Of Coverage	Expiration Date	Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	ca	incelled
Hauser El Segundo	Essex Insurance	\$1MM	Ca	incelled
Property	Winchester Surplus Lines/Acordia	See Below	6/1/2005	11/1/2004
Real Property	Winchester Surplus Lines/Acordia			
Personal Property	Winchester Surplus Lines/Acordia	1,871,000	4	H .
Machinery	Winchester Surplus Lines/Acordia	2,273,000	"	n
Business Income	Winchester Surplus Lines/Acordia	500,000		R
Property of Others	Winchester Surplus Lines/Acordia	1,135,000		*
Theft-Money	Winchester Surplus Lines/Acordia		Câ	ncelled
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		ca	Incelled
California	No Autos			
Other	1 vehicle in CO - to be sold			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		ca	ancelled
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000		encelled
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	ca	ancelled
Foreign Liability	St. Paul/Acordia	2,000,000		ancelled
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	Ca	ancelled

In re: Zetapharm Inc. A New York Corporation Debtor In Possession Operating Report Report Number: 18

Miscellaneous Operating Expenses	
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Total Miscellaneous Operating Expenses	
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	т
Legal and Professional Fees	
	+
Total Legal and Professional Fees	
se polarizada canta su occionado a cos se	
Other Non-Operating Expenses	
	-
Jotal Other Non-Operating Expenses	



Office of the United States Trustee
In re: Hauser Technical Services, Inc.

Debtor In

Debtor In Possession Operating Report

Report Number:

For the period-

FROM: OCT 15

September 30, 2004

OFFICE OF US TRUSTEE LOS ANGELES, CA.

Debtor Chapter 11 Case No: LA 03-18798-BB

A Delaware Corporation

 Profit and Loss Statement (Accrual Basis Only) A. Related in Business Operations: INCOME Gross Sales (Sales Returns and Discounts) Net Sales Beginning Inventory at Cost Add: Purchases Less: Ending Inventory at Cost Cost of Goods Sold Gross Profit Other Operating Revenues - Rentals **Total Income EXPENSES** Officer Compensation Salaries and Wages - Other Employees Employee Benefits and Pensions Total Employee wages, benefits, and pensions Payroll Taxes Real Estate Taxes Federal and State Income Taxes Total Taxes Rent and Lease Exp. (Real and Personal Property) Interest Expense (Mortgage, Loan, etc.) Insurance Automobile Expense Utilities (Gas. Electricity, Water, Telephone, etc.) Depreciation and Amortization Repairs and Maintenance Advertising Supplies, Office Expenses, Photocopies, etc. Bad Debts

	INCOME	
iterest Income		
ther Non-Operating Revenues (Specify)		
ross Proceeds on Sale of Assets		
ess: Original Cost of Assets plus Expenses of Sale		
Net Gain/Loss on Sale of Assets		
Total Non-Operating Income		
	EXPENSES	
egal and Professional Fees (Specify)		

Legal and Professional Fees (Specify)
Other Non-Operating Expenses (Specify)

Miscellaneous Operating Expenses (See Attached)

B. Not Related to Business Operations:

Total Non-Operating Expenses

Total other operating costs & Expenses

Net Gain/Loss from Business Operations

Total Operating Expenses

Net Gain/Loss Not from Business Operations
NET INCOME / LOSS FOR PERIOD

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

		Accounts
	Accounts Payable	Receivable
Current - Under 30 Days	-	8,168
Overdue - 31 - 60 Days		43,140
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		
TOTAL		51,308

3. Statement of Status of Payments to Secured Creditors and Lessors:

				Post-Petition Pay	ments Not Made
	Frequency of			· -	
	Payments per				
	Contract/Lease	Amount of Each			
Creditor/Lessor	(i.e. mo/qtr)	Payment	Next Payment Due	Number	Amount
Woodspear Properties	Monthly	17,116		None	,

* Explanation for Non-Payment:		
· ·		

4. Tax Liability:

Gross Payroll Expense for Period: 227
Gross Sales Subject to Sales Tax for Period: N/A

			Post-Petition
Type of Tax	Date Paid	Amount Paid*	Taxes Still Owing
Federal Payroll and Withholding Taxes	by - 9/30/2004	56,539	
State Payroll and Withholding Taxes	by - 9/30/2004	7,745	•
State Sales and Use Taxes	by - 9/30/2004	82	60
Real Property Taxes			

^{*} Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5.Insurance Coverage:

	Carrier/Agent	Amount Of	Policy Expiration	Premium Paid
Type of Insurance	Name	Coverage	Date	Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage	9			
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

the approval of	tor in Possession provi the Office of the United YES (Explain:) NO		efficers, directors, s	shareholders, or other prin	cipals without	
except as have	in Possession, subsequeen authorized by the YES (Explain:)		ilon, made any pay	ments on its pre-petition u	nsecured debi	
7. Stateme	nt of Unpaid Pro	fessional Fees (Po	st-Petition An	nounts only).		
		Name of Profe		Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid	
		Unpaid Professional Feet Hauser, Inc.'s Operating				:
On September 1	6, 2004, the Debtors o	losed the sale of substanti	ally all of the asset	s of Hauser Contract Res	earch Organization to I	ntegrated BioPharma, Inc
9. Quarterl		tates Trustee every calend	dar quarter			
Quarterty Period Ending	Total Disbursements for Quarter	Quarterty Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003 9/30/2003	1,287,397 1,444,749	5,000 5,000	8/12/2003 11/6/2003	5,000 5,000	11613 11986	0
12/31/2003	1,284,036	5,000	2/12/2004	5:000	12324	-
3/31/2004	1,066,177	5,000	5/6/2004	5,000	12603	0
6/30/2004	882,339	5,000	7/21/2004	5,000	12787	0
	Thomas W. Hankon, S tion contained in the at		Operating Report	is true and complete to the	,declare under penally best of my knowledge	
Dated: Dated: October	14, 2004				wAm	
				Debtor in Possession or Title - Secretary / Treasu		

6. Questions:

HAUSER TECH SERVICES Company code: MBA Region Name: DESERT MOUNTAIN

	Mediate. En SET 16.		
	State (Americal Company Lox 2343 SQ State (Americal Company Lox 2343 SQ State (Americal Company Let Company Lox 2343 SQ State (Americal Company Let Company Lox 2343 SQ State (Americal Company Let Company Lox 2343 SQ		2 *
	R.		
	Warter's Benedit Earl Assessment - fR Local Jacone Tex		
	Total Tares Debited Account Number 4946088361	19,848.16	٠
Other Tiansfers	ADD Direct Degratic Account Murber 499/5086301 Fotal Amount Debked From Your Account	18.592 5B 68.540.74	Total Usbelly S8,540,74
Bank Debits and Other Hability	Chicks Advanced to Describe to		88,928,66
Taxes - Your	Notes The fewori	8.	99.826.40

Statistical Summary Recap

Wel Pay	Chacks					40 707 8			
	Olract Deposits					18 692 ER			
	Subtotel Net Pay						47,080.50		
	Adjustments					8			
	Total Net Pby Usbilly (Net Gash)						47,080.50		
Taxes	,		Yea are estponsible for Depositing these emounts	ble (or mounts	Amount debited	Ked			
Federal	Agency	Rate	EE WINDELS	ER contab.	EE withhald	ER contrib.		•	
	Federal Income Vax				7,342.13				÷
	Extrad Incoma Craft Advances								
	Social Security				4.118.35	4.118.34			
	Medicare				963.18	987.18			
	Fedirel Unemployment Tax								
	Subtotal Enderet				12,423,66	5,081,50	17,408.18		
State	CD State Income Tex				2.343.00				
	CO State Unampleyment/Offschilling Ins. ER	2.0200							
	Subsotal CO				2,343.00		2,343,00		
	Total Fazes		8	8	14,768.56	5.081.50	19,248,16		~
	Amount ADP Daibad From Account	4946098381	TraniAga	A 12/1000248				19,848,16	Exphidis Taxes That Are You Regunsibility
Other	ADF Dince Depose				38,692,58				
Transfers	Amount AOP Dobled Fram Account	4945086363	Tren/ABA	A 121000248				39,692.56	
otal Amou	Total Amount AOP Debited From Your Accounts							58.540.74	

HAUSER TECH SERVICES Company Code: MBA Region Name: DEBERT MOUNTAIN

Statistical Summary Detail

Period Ending: 08/28/2004 Week 36 Pav Date: 09/02/2004 Page 2

Betch ; 6983 Quarrer Number: 3

Pay Date : 09/02/2004 Page Current Date : 08/30/2004

Cetabry

Texas Debited	Escient loidans Tex		,	
	Ecmed Income Coult Advances			
	Sacial Security - 17			
	Social Seguitor - CR			
	Social Security Adi: Ef			
	Medicare : 85			
	Yealcare - £A 1,001.87			
	Modican Affic £E			
	Erikili Uakayikata Ibi			
	State from P. Tax			
	State Unemployment Instrance - EE	٠		
	State Unemprovement (Detailed Inc. ER			
	Strip Usergovant Instruce Adi . EE			
	State Okabites Insurance : EE			
	State Disability Linuance Adj - EE			
	Workers' Branks Bund Assessment - CE			-
	Wader Binebi Fund Assessment - ER			
	(XX			
	לכם ביים של היים של הי	1		
	Total Taxes Debited . Account Number 4946006381	20,809.44		
Olher fransfore	ADP Direct Deposit Account Number 4948086161	32.262.70	Total Lizbilly	
	ited Fro	£3,572,14	59,572,19	
Bunt Debite and	Chatter /	7.930.40	61,502.54	
Other Lisbily	Adjurnents/Prepay/Noids	8,540.66	70,049,19	
Taxes - Your	None This Payroll			Includes Adjustments that are
Responsibility.			70,049,19	your responsibility

HAUSER TECH SERVICES

Company Cada: WBA Region Nama: DESERT MOUNTAIN

Pariod Ending: 09/11/2004 VVeek 38
Pay Date: 09/16/2004 Pege 1
Correct Date: 09/13/2004

Batch ; 8288 Querter Number: 3

Statistical Summary Recap

53,572.14

Total Ameient ADP Debited From Your Aggounts.

Statistical Summary Detail

Batch : 8288 Querter Number: 3

							123040			
ענו ניפי	Chert						32,762,70			
	Over Organis							40,693,10		
	Subtotal Net Pay									
	Adjustments						1,546.65			
	Fatal Nes Pay Liability (Wat Cash)							45,239.75		
Taxas			You are 184	You are responsible for	 	Areavni debited	200			
		1	Deposition (men amonation	Inches Production		1				٠
Federal	Аденеу	Fa(e	EE withheld		ER contrib.	EE withbeild	ER confrib.			
	Federal Income Tax					7,770.58				
	Towned langua Could Advances									
						4.283.63	4,283.64			
	Special Enclusivy	-			1					
	Medicare	1				1,001.79	1.001.82			
	Federal Upenglownerk Tex									
	Subjects) Pediral					13,055.98	5,285.46	18,341.44		
						000000				
State	CO State Income Tax	-				2,449.00				
	CO State UnemployerenUDisability Ins. FR	2.0200								
	Subrotal CD					2,449.00		2.468.00		
				18	8	15,523.98	5,285.46	20,809.44		
	COLD 1 4440									4
	Amount ADP Debited From Account	4945096361		Trancasa	121600248	•			20,409,44	Excludes Texas They Are Your Responsibility
1						32,762.70				29 Encloyee Trensactions
j .	1			400	TATOMONE AND THE				32,762.70	
/ansigna	Amount ADP Orbind From Account	484508000		-	200017					

Social Scientific Actions	Total Liability.	24,041,12	96.525.56 Uneludes Adjustiments that are	BG.626.58 your responsibility
Other Transfess Bank Debts and Other Libolity Taxas. You'	### 1.21.21.22.23.23.23.23.23.23.23.23.23.23.23.23.	Account Number 4545088381	Chacks Adiresments/Prepay/Voids	More This Paylor

HAUSER TECH SERVICES

Company Code: MBA Region Name: DESERT MOUNIAIN

Period Ending: 09/16/2004 Week 38 Pay Date: 09/16/2004 Page 1 Current Date: 09/16/2004

Batch : 8861 Quarter Number: 3

C Lair

Ledani brame Tak.

Taxes Debited

3034158644

Statistical Summary Detail

Compuny Code: MBA Region Nams: DESERT MOUNTAIN

Batch : 8861 Quarter Humber: 3

Pariod Ending: 09/15/2004 Week 38 Pay Dolc: 09/16/2004 Page 2

Pay Date: 09/16/2004 Current Date: 09/16/2004

		į					12 Excludes Toxes frot Are Your Auspacibility
	62,628.77	82,555.44			21,064.12	1 1	24,041,12
67.578.71	000	Amount debited	ER CONCID. EE WIGNING ER CONFID.	4,422,29 4,422,28	15,419,15 5,834,97	2.967.00	.00 18,405.15 5,614.97 Tran/ASA 121000248
		(Net Greh)	Depositing these amounts Rate EE withheld EA co-	duntes	733	ILIDISƏbiliny Ins-ER 2.0800	4948086381
	Nei Pry Checks Direct Diposits Cabinal Nai Pry	Adustining Total Nit Pay Lability (Net Gith)	Taxas Federal Agentry	Federal Interms Orack Adumness Spelal Scoutify	Liedicare Federal Unamployment Tax Submiti Federal	State CO State hoods Tax CO Stee Unempleyment/Deskilly Ins-ER	Total Taxes Amount ADP Deblind From Account

	The second secon					
Lisbility	Taxes Debied	Exdeval factome Vac				
Recep		Entered Income Credit Advances				
		Sacial Speciality . EF				-
		Sacial Serretire - FR				
		Incist Security Adi - EF				
		Vadrain : Ef	•			
		Medicare - IR	-			
		13				
		TERT TAK				
		. 5				
		SEETE UNEMOVIVATION INTERPRETACE - FE				-
		States Unercolary meant/Disability Los. F.R				
		Sinna Unamphorman Harringe Adi. EE		:		
		Stron Distriky Insigense - EE				
		Stere Disability Inguarca Adi - EE				
		Workers' Benefil Fund Assisterment - III		•		
		Virdeers' Benaill Find Assessment - FR				
		Loral Jorgens Tax		•		
		Total Taxes Debited Account Number 4945088361	414,53			
	Other Transfers	ADP Direct Danosit Account Number 4946086361	8	,	Total Limitty	-
		tes Fro		414.53	414.63.	
	Bank Debits and	Chatks	00		414,53	
	Other Lisbility	AdjustmentePhypayVods	540.55		955.09	
	Taxes - Your	None This Payrall			ŧ	includes Adjustments that ere
	Responsibility				385,08- ye	985,08- year responsibility

Betch : 0391 Oranter Number: 3

HAUSER TECH SERVICES

Company Code: MBA Region Name: DESERT MOUNTAIN

Statistical Summary Recap

Period Ending: 09/15/2004 Week 39
Pay Date: 09/22/2004 Page 1
Currern Date: 09/20/2004

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Not Fay	Christ				8	
,	Cirect Deptedits					ê
	Subtotal Net Pay					
					540.55	
	Treatment Laberty (Net Cush)					540.55
16401		You are responsible for Depositing these emetals	aible for emeunis	Amount debited from your account	ited equit	
in the state of	Page 1	EE withheld	ER contrib.	EE withing	ER contrib.	
	Federal Income Tex			228.25-		
	Earité Income Crade Advances				54.01.	
	Social Security			8 3	32.51	
	Medicale					
	Federal Unemployment Tox			294 89-	66,64	361.53
				53.00		
Sule						
	CD State Unemployment/DutpEty inset 2.0200			53.00-		63.00
	on manne		1	40.275	AR 64.	414,53
	Tutat Texas	00,	20.	, and		

Batch : 0391 Quarter Number: 3

Period Ending: 09/15/2004 Week 39
Pay Date: 09/22/2004 Page 2
Current Date: 09/20/2004

HAUSER TECH SERVICES

Company Code: MIBA. Region Name: DESERT MOUNTAIN

Statistical Summary Detail

Debtor In Possession Operating Report Report Number: 18

			Policy Expiration	Premium Paid
Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Date	Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
Californía	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cance	lled
Hauser El Segundo	Essex Insurance	\$1MM	cance	lled
Property	Westchester Surplus Lines/Acordia	See Below	9/1/2005	11/1/2004
Real Property				
Personal Property	Westchester Surplus Lines/Acordia	1,871,000	*	
Machinery	Westchester Surplus Lines/Acordia	2,273,000	"	**
Business Income	Westchester Surplus Lines/Acordia	500,000	"	*
Property of Others	Westchester Surplus Lines/Acordia	1,135,000		*
Theft-Money			cance	lled
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cance	lled
California	No Autos			1
Other	1 vehicle in CO- to be sold			
Other (specify)				
Flood & Earthquake (DIC)			cance	elled
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cance	elled
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cance	led
Foreign Liability	St. Paul/Acordia	2,000,000	cance	elled
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	cance	elled

Hauser Technical Services Hauser Contract Research Organization Summary Income Statement September 30, 2004

(dollars in thousands)

	Month Actual	Year-to-date Actual
Sales	\$25	\$928
Cost of sales	145	\$1,501
Gross margin	(120)	(\$573)
Sales and marketing G & A expenses Total Contribution	21 (28) (7) (113)	\$68 \$80 \$148 (\$721)
Corporate Services Operating income (loss)	<u>10</u> (123)	\$110 (\$831)
Interest expense Disposal of Assets Reorganization Costs	0 1,105 0	\$0 1,105 (\$10)
Profit (loss) before tax	\$982	\$265

In re: Hauser Technical Services, Inc. A Delaware Corporation Debtor In Possession Operating Report Report Number: 18

Miscellaneous Operating Expenses	
	-
्र ग्रेotal Miscellaneous Operating Expenses	
astroidiniviisdellaneous operating Experises serv	
	
Legal and Professional Fees	<u> </u>
None	
* Total Legaliand Professional Fees (1987)	
s violenteedensennalten eessimiselt vees	
Other Non-Operating Expenses	
None	
Total:Other:Non-Operating Expenses:	